



## Rule Up For Final Action

Proposed Amendments to

WAC 230-40-055

Card tournaments for fee and prizes – Reporting requirements.

ITEM 12 (a) on the October 10, 2003, Commission Meeting Agenda.		Statutory Authority 9.46.070
<b>Who proposed the rule change?</b>		
Licensees at the June Study Session.		
<b>Why is this rule change needed?</b>		
<p>Currently, pre-tournament play requirements to enter a customer appreciation tournament cannot exceed a fifty-dollar entry fee and licensees using the rake method to collect fees cannot require pre-tournament play to exceed ten hours. At the June Study Session, staff proposed an amendment to limit pre-tournament play for house-banked card rooms offering customer appreciation tournaments to ten hours. This would have brought the rule up-to-date with current policy. At that meeting, a licensee requested that the dollar amounts for entry fees and buy-in fees on pre-tournament play be reviewed.</p> <p>At the August meeting, the Commission filed an amendment to remove customer appreciation pre-tournament play restrictions. Staff don't believe there are regulatory concerns associated with these entry requirements, as players regulate the game. Language was added to require licensees to clearly post pre-tournament play requirements so players are fully informed. The rule proposal would also increase the maximum player buy-in from \$50 to \$100 and the total buy-in from \$200 to \$400. These figures have not changed since 1986.</p> <p><b><u>Change made after the August meeting:</u></b></p> <p><b>Amended #1:</b> Subsection (11) requires tournament rules to be submitted to staff for review if the buy-in exceeds \$50. The \$50 was inadvertently amended to \$100. Staff recommends maintaining the reporting threshold at \$50. Staff reviews various tournament schemes and often the schemes do not meet the requirements set forth in our rules. Maintaining the threshold at \$50 enhances our regulatory program by allowing staff to be aware of improper tournament schemes. As such, the inadvertent amendment to increase the reporting threshold from \$50 to \$100 has been removed.</p> <p><b><u>Change made after the September meeting:</u></b></p> <p><b>Amended #2:</b> Subsection (4) restricts the length of tournaments to ten consecutive days. The industry has asked that the time limit be increased to accommodate tournaments conducted over several weekends. Staff have no regulatory issues with the proposed change; therefore, the time limit has been increased from ten consecutive days to thirty consecutive days.</p>		
<b>Statements against the proposed rule change.</b>		
None at this time.		
<b>Which licensees will be directly impacted?</b>		
Card room licensees.		
<b>What are the potential impacts to the agency?</b>		
Minimal.		
<b>Staff recommendation.</b>		
Whether to increase buy-in amounts or not is a policy decision to be made by the Commission.		
<b>Proposed effective date.</b>		
January 1, 2004.		